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August 17, 2005

AZ CORP COMMISSION
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Ms. Carmen Madrid, Docket Control
Arizona Corporation Commission
1200 W. Washington
Phoenix, AZ 85007-2927

**RE: Southwestern Telephone Company; Revise Low-Income Assistance Programs
Tariff (In Response to Docket No. T-00000A-05-0380)**

Dear Ms. Madrid:

Enclosed please find the original and 13 copies of the following tariff sheet (s):

Section 3

Fifth Revised Sheet 10

Fourth Revised Sheets 11 & 12

Second Revised Sheets 11.1 & 13

The purpose of this filing is to revise the Low-Income Assistance Programs tariff. With this filing, the Company is expanding the eligibility criteria to include Temporary Assistance for Needy Families (TANF), National School Lunch free lunch program, and KidsCare. Customers may also qualify if their household income is at or below 150% of the Federal Poverty Guidelines.

We will also be adding language that specifies what the process is for verification of Lifeline and Link-Up program eligibility and language for limitation of liability for administering the Low-Income programs.

If you have any questions, please contact me at (608) 664-4169.

Sincerely,

Rachelle A. Drone
Senior Administrator - Tariffs

Enclosures

525 JUNCTION RD.
MADISON, WI. 53717

GENERAL EXCHANGE TARIFF

SOUTHWESTERN TELEPHONE COMPANY
Arizona

Section 5
Fifth Revised Sheet 10
Cancels Fourth Revised Sheet 10

LOW-INCOME ASSISTANCE PROGRAMS

A. LOW-INCOME ASSISTANCE PROGRAMS

Low-Income Assistance Programs consist of two programs, Lifeline Assistance and Lifeline Connection Assistance. These programs were developed to reduce rates for low income customers. The Company participates in both of these assistance programs to increase the availability of telecommunications services to all consumers in its serving areas. The structure of each program is outlined in the following paragraphs.

1. Lifeline Assistance

a. General

Lifeline Assistance reduces an eligible customer's monthly rates for local service. An eligible customer receives credit for the Federal Subscriber Line Charge as well as a credit towards the residential access line rate.

b. Regulations

- 1) Lifeline Assistance is available to all residential customers who meet the following eligibility requirements: ⁽¹⁾

- a) Customers must participate in one of the following programs:

Medicaid, food stamps, Supplemental Security Income (SSI), federal public housing assistance or Section 8 (a Federal Housing Assistance Program administered by the Dept. of Urban Development), Low Income Home Energy Assistance Program (LIHEAP), Temporary Assistance for Needy Families (TANF), National School Lunch free lunch program, KidsCare, or

Have household income that is at or below 150% of the Federal Poverty Guidelines.

- b) Beginning October 1, 2000, eligibility has been expanded to permit low-income individuals living on tribal lands to establish their income eligibility by certifying participation in one of the following federal assistance programs: (1) Bureau of Indian Affairs General Assistance; (2) Temporary Assistance for Needy Families (TANF) tribally-administered block grant program; (3) Head Start Programs (under income qualifying eligibility provision only); or (4) National School Lunch Program (free meals program only).

⁽¹⁾ Low-income customers who qualify under Arizona Low-Income Telephone Assistance Program (ALITAP) will receive the federal baseline support amount of \$3.50 plus the additional \$1.75 in federal Lifeline support. ALITAP customers are also eligible to receive matching federal Lifeline support in an amount equal to one-half of the amount of the state support. For example, if the 17% discount in local service charges contributed by the state equaled \$2.00, the matching federal Lifeline support amount would equal \$1.00. Under this example, a total of \$6.25 in federal Lifeline support would be available to ALITAP customers. State support under A.R.S 46.703 would be in addition to this amount.

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BY: Paul E. Pederson, Vice-President

GENERAL EXCHANGE TARIFF

SOUTHWESTERN TELEPHONE COMPANY
Arizona

Section 5
Fourth Revised Sheet 11
Cancels Third Revised Sheet 11

LOW-INCOME ASSISTANCE PROGRAMS

A. LOW-INCOME ASSISTANCE PROGRAMS (Continued)

1. Lifeline Assistance (Continued)

b. Regulations (Continued)

- 2) The customer must sign under penalty of perjury, a document certifying:
 - a) He/she is receiving benefits from one of the programs in 1.b.1 a) or b) above or he/she has household income that is at or below 150% of the Federal Poverty Guidelines.
 - b) He/she must provide the name of the program from which they are receiving benefits or provide supporting documents showing their household income is at or below 150% of Federal Poverty Guidelines. The supporting documents must be one of the following: 1) Prior year's state, federal, or tribal tax return, 2) Current income statements from an employer or paycheck stub, 3) A Social Security statement of benefits, 4) A Veterans Administration statement of benefits, 5) A retirement/pension statement of benefits, 6) An Unemployment/Workman's Compensation statement of benefits, 7) Bureau of Indian Affairs (BIA) general assistance program, 8) A divorce decree or child support document. If the customer chooses to submit anything other than the prior year's income tax return, they must then present three consecutive month's of the alternate supporting documentation selected that is within the most recent twelve consecutive months.
 - c. That he/she will notify the company if he/she no longer participates in the program named in b. preceding or if their household income increases above 150% of the Federal Poverty Guidelines.
- 3) As a participant in Lifeline Assistance, customers are eligible to receive Toll Restriction Service at no charge. This service will only be provided at the customer's request.
- 4) Local service deposit requirements will be waived for customers who voluntarily receive Toll Restriction Service.

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(M)-Material now appears on Sheet 11.1 of this Section.

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BY: Paul E. Pederson, Vice-President

GENERAL EXCHANGE TARIFF

SOUTHWESTERN TELEPHONE COMPANY
Arizona

Section 5
Second Revised Sheet 11.1
Cancels First Revised Sheet 11.1

LOW-INCOME ASSISTANCE PROGRAMS

A. LOW-INCOME ASSISTANCE PROGRAMS (Continued)

1. Lifeline Assistance (Continued)

b. Regulations (Continued)

5) Participants in Lifeline Assistance shall not be disconnected from Local Service for non-payment of toll charges. In addition, the Company will not deny re-establishment of local service to customers who are eligible for Lifeline Assistance and have previously been disconnected for non-payment of toll charges. Lifeline Assistance will not be connected if an outstanding balance is owed by the customer for local service.

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6) Partial payments that are received from Lifeline customers will first be applied to local service charges and then to any outstanding toll charges.

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c. Credits

The following credits* will apply for each customer eligible for Lifeline Assistance:

	Monthly Credit*
1) Federal Subscriber Line Charge Credit	(1)
2) Initial Federal Credit to Residential Access Line	\$1.75
3) Additional Federal Credit to Residential Access Line for eligible tribal land residents who qualify under either 1.b.1 a) or b).	(2)

* Credit amount will not exceed the total of the Subscriber Line Charge and the Residential Local Exchange rate.

(1) Authorized FCC rate.

(2) Credit up to \$25.00 and not to exceed a base of \$1.00.

(M)-Material previously appeared on Sheet 11 of this Section.

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BY: Paul E. Pederson, Vice-President

GENERAL EXCHANGE TARIFF

SOUTHWESTERN TELEPHONE COMPANY
Arizona

Section 5
Fourth Revised Sheet 12
Cancels Third Revised Sheet 12

LOW-INCOME ASSISTANCE PROGRAMS

A. LOW-INCOME ASSISTANCE PROGRAMS (Continued)

2. Lifeline Connection Assistance (Link-Up)

a. General

Link-Up reduces an eligible customer's service connection charges. All eligible customers receive a credit for half of the service connection charges up to \$30.00.

b. Regulations

- 1) The same eligibility requirements as outlined in Paragraph 1.b.1 above will apply for Link-Up.
- 2) The customer must sign under penalty of perjury, a document certifying:
 - a) He/she is receiving benefits from one of the programs in A.1 above or she/she has household income that is at or below 150% of the Federal Poverty Guidelines.
 - b) The name of the program from which they are receiving benefits or provide documents that prove their household income is at or below 150% of the Federal Poverty Guidelines (from the list included in the Lifeline Assistance tariff preceding).
 - c) That he/she will notify the Company if he/she no longer participates in the program named in b. preceding or their household income increases above 150% of the Federal Poverty Guidelines.
- 3) This credit is only available on the installation of a single residential access line to the principal residence of the eligible customer.
- 4) This credit will only apply a second or subsequent time for a principal place of residence with a different address from the previous address at which Link-Up was provided.
- 5) A deferred schedule for payment of the remaining service connection charges will be offered to Link-Up customers. The customer is not required to pay interest on the first \$200 of service connection charges that are deferred up to a year.

(M)-Material now appears on Sheet 13 of this Section.

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GENERAL EXCHANGE TARIFF

SOUTHWESTERN TELEPHONE COMPANY
Arizona

Section 5
Second Revised Sheet 13
Cancels First Revised Sheet 13

LOW-INCOME ASSISTANCE PROGRAMS

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A. LOW-INCOME ASSISTANCE PROGRAMS (Continued)

2. Lifeline Connection Assistance (Link-Up) (Continued)

c. Credit

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- 1) Half of Service Connection Charges or \$30.00, whichever is less.
- 2) Additional Credit up to \$70.00 for residents living on tribal lands who qualify under either Paragraph 1.b.1 a) or b). This additional benefit will apply towards 100% of the connection charges between \$60.00 and \$130.00 which are assessed to begin service at the principle residence of the eligible resident. Eligible charges include any charges customarily assessed to connect the subscriber to the network, including line extension charges, zone connection charges and special construction charges.

(M)

3. Limitation of Liability for Administering Lifeline and Link-Up Programs

(N)

The Company shall use reasonable efforts to (1) safeguard personal information provided by a customer in connection with an application for the Company's Lifeline and/or Link-Up programs; and (2) properly determine a customer's eligibility to participate in the Company's Lifeline and/or Link-Up programs. The Company shall not be liable to a customer for any damages (actual, consequential or punitive) arising as the result of (a) the Company's unintentional or accidental disclosure to a third party of a customer's personal information provided in connection with an application for the Company's Lifeline and/or Link-Up programs; or (b) the Company's erroneous determination regarding a customer's eligibility or ineligibility to participate in the Company's Lifeline and/or Link-Up programs. In the event the Company erroneously denies a customer's application to participate in the Company's Lifeline Assistance program, the customer shall be entitled to a bill credit equal to the amount of the monthly discount applied from the date of the customer's application through the date of actual enrollment in the Lifeline Assistance program.

(N)

(M)-Material previously appeared on Sheet 12 of this Section.

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